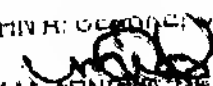


FILED
LOS ANGELES SUPERIOR COURT

JUN 17 2011

JOHN H. GORDON, CLERK
BY  J. H. GORDON, CLERK

1 Dennis M. Wasser (SBN 41617)
Bruce E. Cooperman (SBN 76119)
2 **WASSER, COOPERMAN & CARTER, P.C.**
2029 Century Park East, Suite 1200
3 Los Angeles, California 90067-2957
Telephone No.: (310) 277-7117
4 Facsimile No.: (310) 553-1793

5 Michael J. Kump (SBN 100983)
Suann C. MacIsaac (SBN 205659)
6 Jonathan Steinsapir (SBN 226281)
KINSELLA WEITZMAN ISER KUMP & ALDISERT LLP
7 808 Wilshire Boulevard, 3rd Floor
Santa Monica, California 90401
8 Telephone: (310) 566-9800
Facsimile: (310) 566-9850

9 David Boies (*Pro Hac Vice admission*)
10 James Fox Miller (*Pro Hac Vice admission*)
BOIES, SCHILLER & FLEXNER LLP
11 333 Main Street
Armonk, New York 10504
12 Telephone: (914) 749-8200
Facsimile: (914) 749-8300

13 Attorneys for Petitioner Jamie McCourt

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **COUNTY OF LOS ANGELES**
16

17 In re Marriage of

18 JAMIE McCOURT,

19 Petitioner,

20 v.

21 FRANK H. McCOURT, JR.,

22 Respondent.
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27
28

CASE NO. BD 514309

[Assigned to Hon. Scott M. Gordon –
Dept. 88]

BINDING TERM SHEET

Binding Term Sheet

For purposes of this term sheet only, "Dodger Assets" and "McCourt Entities" are used as those terms have been previously defined in this litigation, provided, however, that "Dodger Assets" also includes the proposed transaction with Fox and equity interest in Prime Ticket. For clarity, "McCourt Entities" means any entity in which Frank has an interest, either individually or through any entity which he owns or controls in whole or in part.

1. The Parties' Consent to Proposed Fox Transaction. Upon the execution of this term sheet, the parties consent to the proposed Fox transaction and will cooperate to sign any necessary documents in connection therewith and to secure MLB approval thereof. This term sheet is contingent upon MLB approving the proposed Fox transaction, and if MLB does not do so, then this term sheet is null and void.
2. Disposition of the monies from the Proposed Fox Loan. The \$385 million loan from the proposed Fox transaction, if made, shall be used as follows subject to MLB approval: (a) each party will receive \$5 million for attorneys' fees and costs; (b) each party will receive an additional \$5 million to use as she and he desires; (c) approximately \$235 million will be used for the Dodgers (including repayment to Frank moneys advanced to the Dodgers in 2011, not to exceed \$23.5 million), but not for any payments to or between any entities (other than the Dodgers) owned or controlled, directly or indirectly, by Frank; (d) approximately \$80 million will be used to pay off indebtedness; and (e) the remaining approximately \$50 million will be put in an account subject to the Court's orders.
3. The Parties' Separate Property: Upon the execution of this term sheet, Jamie and Frank shall each own as her and his sole and separate property, all funds and investments and/or businesses held in her or his own name, except for the Dodger Assets, the McCourt Entities, and the following properties: Malibu properties, Charing Cross properties, Vail, Cotuit, Willowbend, and Montana Yellowstone.
4. Cure of Default on Cotuit Property: Jamie shall, as soon as practicable but no later than sixty (60) days from the execution of this term sheet, cure the default on the mortgage for Cotuit and Vail in whatever manner she decides within her sole discretion that is acceptable to the lender. Jamie will fully indemnify and hold Frank harmless from any failure to cure the default.
5. Expedited Trial on Characterization. The Court shall conduct a one-day trial on the characterization of the Dodger Assets acquired from Fox in 2004 and any McCourt entity that directly or indirectly holds any interest in any of the Dodger Assets based on legal issues regarding the form of title presumption as raised in *In re Marriage of Valli*, *In re Marriage of Fossum*, and related authority. The trial will be based upon legal arguments and the factual record already developed in this case including the sworn testimony from the MPA trial. The parties will also be able to offer reasonable additional testimony to supplement the evidentiary record; provided, however, that such additional testimony may only be offered to supplement the record on matters not previously testified to and neither party shall be able to repeat, recharacterize, or contradict prior testimony they

have given. Both parties waive her and his right to a trial based upon Family Code § 2640, *Mix, See, Wolf* and any other theories of tracing to a separate property source. Both parties waive her and his appeal rights from any rulings and/or judgments entered by the Court in connection with the expedited trial. Prior to the trial, each party must disclose to the other party additional facts, information, and arguments that will be relied upon at the trial, including the identity of any witnesses who will be called at trial, and the other party will have the opportunity to conduct reasonable discovery thereof, including depositions.

6. Disposition of Assets After Expedited Trial.

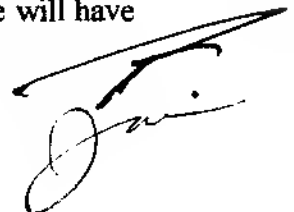
- a. If the Dodger Assets are characterized by the Court as community property: Each party shall be entitled to and be responsible for 50% of combined assets and liabilities of the parties, except for (i) the parties' respective claims against Bingham and any proceeds related thereto and (ii) the assets referenced at paragraph 3. The assets shall be sold by the parties in an orderly manner under the Court's supervision, with 50% of the net proceeds distributed to each party as soon as practicable. Each party will be responsible for 50% of any gain or any loss associated with the disposition of each asset. Each party shall be entitled to 50% of any tax benefits, including without limitation, any net operating loss carry forwards.
- b. If the Dodger Assets are characterized by the Court as Frank's separate property:
 - i. Frank shall pay to Jamie the amount of \$100,000,000. This payment shall be made incident to divorce and be non-taxable to Jamie. The \$100,000,000 shall be paid as follows: (1) \$5,000,000 shall be paid pursuant to paragraph 2(b) above; (2) \$50,000,000 shall be paid within ten (10) days of the Court's ruling; and (3) the remaining \$45,000,000 shall be paid on or before twenty-four (24) months of the Court's ruling. Frank's obligation to make the payments pursuant to this paragraph shall be secured by (a) Frank's interest in TMBLP and TMC, other than TMBLP's interest in the Los Angeles Dodgers baseball club, and (b) by the interest held in Prime Ticket by any entity in which Frank owns a direct or indirect interest. In the event Frank fails to timely make any of these payments when due, the entire amount shall accrue interest at 10% until paid in full. The Family Court will retain jurisdiction to enforce these terms and obligations, and Jamie will have all other available recourse and legal remedies to enforce these terms and obligations against any and all assets in which Frank holds any direct or indirect interest, including without limitation, any interest held directly or indirectly in the Los Angeles Dodgers baseball club, and any interest in Prime Ticket by any entity in which Frank owns a direct or indirect interest. In the event of any dispute, the prevailing party shall be able to recover her or his attorneys' fees and costs in connection therewith.
 - ii. All residential properties and all contents thereof (*i.e.*, Malibu properties, Charing Cross properties, Vail, Cotuit, and Willowbend) shall be forever

owned 100% by Jamie as her sole and separate property, except for the Montana Yellowstone property, which shall forever be Frank's sole and separate property. Jamie will have sole responsibility and liability for the mortgages and other indebtedness on these properties (except the Montana property), and will fully indemnify and hold Frank harmless in connection with that debt. Jamie will use her best efforts to remove Frank from the mortgages on these properties. Frank will have sole responsibility and liability for the indebtedness on the Montana property, and will fully indemnify and hold Jamie harmless in connection with that debt.

- iii. Frank shall give Jamie a full indemnity and hold Jamie harmless, including attorneys' fees and costs, for any tax liability associated with joint personal tax returns filed for the tax years 2004 to the present and all business tax returns from the tax years 2004 to the present, and for any other liability and/or litigation costs at any time in connection with the Dodger Assets and the McCourt Entities. Jamie will cooperate with Frank in dealing with any taxation agencies or authorities.

7. Spousal Support:

- a. Until the rendering of the decision under Paragraph 5, Frank shall pay directly to Jamie the non-modifiable, non-taxable and non-deductible sum of \$650,000 per month for support.
- b. If Frank prevails in the expedited trial, he will continue to pay \$650,000 per month for support until Jamie actually receives the first \$55,000,000 payment pursuant to paragraph 6(b)(i)(1) and (2). After the payment of the first \$55,000,000 pursuant to paragraph 6(b)(i)(1) and (2), Frank shall pay directly to Jamie the non-modifiable, non-taxable and non-deductible sum of \$325,000 per month for support. Frank shall continue to pay such sum of \$325,000 per month until Jamie actually receives the full remaining payment due under paragraph 6(b)(i)(3). The amount of the final payment due under paragraph 6(b)(i)(3) shall be reduced by the total amount of support payments made to Jamie after her receipt of the \$55,000,000 payment. After Jamie actually receives the full remaining payment due under paragraph 6(b)(i)(3), all support obligations will reduce to zero, and the Court shall retain jurisdiction over spousal support for both parties.
- c. If Jamie prevails in the expedited trial, both parties will receive \$650,000 per month as a distribution of community assets, to be paid from the \$50 million set aside pursuant to paragraph 2(e), until the assets are divided and distributed pursuant to paragraph 6(a). All support obligations will cease and jurisdiction terminates.
- d. In the event Frank fails to timely make any of these payments when due, the entire amount shall accrue interest at 10% until paid in full. The Family Court will retain jurisdiction to enforce these terms and obligations, and Jamie will have



all other available recourse and legal remedies to enforce these terms and obligations. The prevailing party in any dispute shall be able to recover her or his attorneys' fees and costs in connection therewith.


8. Waiver of Other Rights and Claims: Except as expressly provided herein, each party waives any and all reimbursement rights of any type or nature, including but not limited to rights under Family Code 2640 for contributions of either separate property to the acquisition of a community asset or separate property to the acquisition of separate property of the other party, under *Epstein, Watt, Moore/Marsden*, and any other theory under California law whereby either party might be entitled to a reimbursement or ownership interest for use of community property or his/her separate property, either prior to or subsequent to separation, toward the acquisition of, improvement of, maintenance of, or any other obligation relating to the separate property of the other party or to any community asset. Further, Frank waives his right pursuant to the Court's order dated May 8, 2010, to seek reimbursement or reallocation of the property maintenance payments which he has made pursuant to said order, and he further waives any claim for any reimbursement or interest in any of the parties' previously owned jointly titled assets including but not limited to the Cabo property and the Pinnacle China Fund.
9. Claims Against Bingham McCutchen LLP: Jamie and Frank shall each retain ownership of her and his claims against Bingham McCutchen LLP and any of its members.
10. Binding Term Sheet: This term sheet shall constitute a valid and binding agreement that is fully enforceable under California law.
11. Governing Law and Arbitration: This term sheet shall be governed by and construed according to California law with any disputes determined by Judge Gordon, and if Judge Gordon is unwilling or unable to resolve the dispute, then by binding and confidential arbitration in Los Angeles before one JAMS arbitrator.

IN WITNESS WHEREOF, Jamie and Frank have approved as to form and content and executed this term sheet on the dates set forth opposite her or his respective signatures.

DATED: June 17, 2011


JAMIE McCOURT

DATED: June 17, 2011


FRANK H. McCOURT, JR.

[SIGNATURES AND ORDER ON NEXT PAGE]

APPROVED AS TO FORM ONLY:

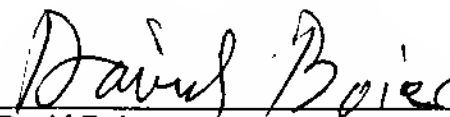
DATED: June 17, 2011

WASSER, COOPERMAN & CARTER, P.C.

KINSELLA WEITZMAN ISER KUMP &
ALDISERT LLP

BOIES SCHILLER & FLEXNER LLP

By:



Per MJC

David Boies

Attorneys for Petitioner Jamie McCourt

DATED: June 17, 2011

TROPE & TROPE

SUSMAN GODFREY, LLP

By:



Ryan C. Kirkpatrick

Attorneys for Respondent Frank H. McCourt, Jr.

ORDER

The parties having so agreed and good cause appearing therefore, IT IS SO ORDERED.

Dated: June 17, 2011



HON. SCOTT M. GORDON
JUDGE OF THE SUPERIOR COURT

